

**YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION  
COMMUNITY DEVELOPMENT QUOTA  
FOURTH QUARTER REPORT  
FOR THE PERIOD OCTOBER 1 – DECEMBER 31, 2003**

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## **I. QUARTERLY HIGHLIGHTS: October - December 2003**

### **October 2003**

- YDFDA Board of Directors Elections
- M/V Golden Alaska, F/V American Beauty and F/V Ocean Leader finished harvesting/processing Pollock
- F/V Lisa Marie fished for halibut, sablefish and king crab with 5 resident aboard
- The Alakanuk Welding Shop worked on skiff repairs for local residents
- Published a Request for Proposal to determine feasibility of a cultural camp
- C/P Baranof fished for Pacific cod and open access red king crab
- Classes continue at AVTEC in Seward with 3 residents enrolled
- New internship begins at Peter Pan Seafoods and Kwikpak Fisheries in Seattle
- Attended NPFMC Meetings
- Sponsored Grayling Students to attend AFN Convention in Anchorage
- Two residents attended HACCP and sanitation classes in Anchorage
- Attended the Annual Association of Village Council Presidents (AVCP) meeting in Bethel
- Teleconferenced with University of Alaska Foundation to discuss scholarship awards
- Attended the Alaska Federation of Natives (AFN) Convention
- Attended the Yukon River Drainage Fisheries Development Association (YRDFA) Board meeting
- Presented the YDFDA Scholarship Program to over 15 high school senior students in Mountain Village and St. Mary's
- Attended the local advisory committee meeting of the Department of Fish & Game in Mountain Village
- Traveled to Mt. Village, Nunam Iqua and Alakanuk recruiting for 2004 A Season

### **November 2003**

- Attended YRDFA Fall Chum Management Plan meeting
- F/V Lisa Marie fished for halibut, sablefish and king crab with 5 resident aboard
- Kwikpak Fisheries buying eel in St. Mary's, 9 Mt. Village and 16 St. Mary's residents participated
- C/P Baranof fished for CDQ red king crab
- The Alakanuk Welding Shop worked on skiff repairs for local residents
- Classes continue at AVTEC in Seward with 3 residents enrolled

- Internship continues at Peter Pan Seafoods and Kwikpak Fisheries in Seattle
- Published a Request for Proposal to determine feasibility of a cultural camp
- Attended the Alaska Native Education Summit in Anchorage
- Assisted in the development of grant applications for marketing chum and King salmon from the Lower Yukon
- Traveled to Sitka to meet with 14 high school seniors and distribute information about the YDFDA Scholarship Program
- Distributed YDFDA Scholarship applications to the University of Alaska Southeast Campus and Sheldon Jackson campus
- Traveled to Fairbanks to meet with YDFDA scholarship recipients and distribute scholarship applications
- Met with YDFDA scholarship recipients at UAA and distributed scholarship applications
- Attended the Arctic-Yukon-Kuskokwim (AYK) meeting in Anchorage
- Participated in the YDFDA Scholarship Committee meeting
- Attended the Managing our Nation's Fisheries Conference in Washington, DC

#### **December 2003**

- F/V Lisa Marie in Seward for annual repairs
- Kwikpak Fisheries buying eel in Grayling, 16 residents participated
- YDFDA Board Meeting and Salmon Summit in Anchorage
- Attended Federal Subsistence Board Meetings in Anchorage
- Attended YRDFA meetings in Anchorage
- Attended the Coordinating Fisheries Committee and Tri-Regional Councils of the Federal Subsistence Board
- Attended Yukon Fish and Game Advisory Board Meetings
- Attended Yukon River Panel Meetings
- Attended NPFMC Meetings in Anchorage
- Participated in the CDFI Informational Workshop in Anchorage
- Participated in the RURAL Cap Foundation Board meeting
- Sponsored the Alaska Small Business Development Center to administer a Small Business Workshop for 13 residents from the villages of Alakanuk, Emmonak, Nunam Iqua, and Mountain Village in St. Mary's
- Reviewed proposals submitted for the feasibility study for the cultural camp project
- C/P Baranof fished for Pacific cod

- The Alakanuk Welding Shop worked on skiff repairs for local residents
- Classes continue at AVTEC in Seward with 3 residents enrolled
- Sponsored one resident to interview with Alaska Works Partnership for plumbers apprenticeship
- Internship continues at Peter Pan Seafoods and Kwipak Fisheries in Seattle

## **II. COMMUNITY DEVELOPMENT**

### **A. PROGRESS TOWARD GOALS, OBJECTIVES, MILESTONES**

#### ***PROPOSED FOR-PROFIT PROJECTS***

##### **ADDITIONAL INVESTMENT IN GOLDEN ALASKA**

1. Provide a minimum return on investment of 8%.

No additional quota has been acquired; therefore there is no activity on this milestone.

2. Acquire additional mothership pollock quota.

We continue to investigate the opportunities available to add quota to the Golden Alaska.

3. Add at least one job on each catcher vessel and increase positions on Golden Alaska.

No additional quota has been acquired; therefore there is no activity on this milestone.

4. Increase the production and profitability of the original Golden Alaska investment.

No additional quota has been acquired; therefore there is no activity on this milestone.

##### **CRAB/COD CATCHER PROCESSOR (C/P COURAGEOUS)**

5. Provide an 8% minimum return on investment.

A letter of intent has been signed regarding purchasing an ownership interest in the C/P Courageous.

6. Provide up to 12 positions for YDFDA residents.

This investment is still in negotiation, therefore there is no activity on this milestone.

7. Harvest CDQ and non-CDQ Pacific cod and crab.

The Courageous harvested more than 500 MT of YDFDA CDQ Pacific Cod quota during the year.

8. Produce operating efficiencies from operating with C/P Baranof.

This investment is still in negotiation, therefore there is no activity on this milestone.

#### JOINT VENTURE CRAB VESSEL(S)

9. Provide an 8% minimum return on investment.

We continue to investigate opportunities to invest in crab vessels.

10. Provide 2-4 fishing positions for YDFDA residents.

No investment has been made, therefore there is no activity on this milestone.

#### JOINT VENTURE LONGLINE C/P VESSEL

11. Provide an investment return of a minimum of 8%.

No investment has been made, therefore there is no activity on this milestone.

12. Provide 2 – 4 crew member positions for YDFDA residents.

No investment has been made, therefore there is no activity on this milestone.

13. Assure long-term career employment for qualified Yukon Delta residents.

No investment has been made, therefore there is no activity on this milestone.

#### SHORESIDE POLLOCK INVESTMENT

14. Provide a minimum return on investment of 8%.

No investment has been made, therefore there is no activity on this milestone.

15. Provide jobs on each catcher vessel plus opportunity for jobs at shoreside plants.

No investment has been made, therefore there is no activity on this milestone.

16. Acquire additional non-CDQ pollock quota.

We continue to investigate opportunities to invest in shoreside Pollock quota and/or vessels.

17. Diversify pollock investment to other sectors.

No investment has been made, therefore there is no activity on this milestone.

## ***ACTIVE FOR-PROFIT PROJECTS***

### **MAJOR FISH BUYER ON THE YUKON**

18. Proceed with inspection of assets to be acquired and due diligence analysis. If favorable, purchase assets, renew marketing arrangements and hire operations manager. If negative, reconsider prospects for Kwipak Fisheries. Renew Yukon River regional marketing efforts regardless.

Kwipak Fisheries purchased 51,247 pounds of Arctic lamprey during the months of November and December. This venture enabled the residents of Mountain Village, Grayling and the non-CDQ village of St. Mary's to participate in a fishery that had not been attempted before. Due to the success of the operation, Kwipak Fisheries is developing plans to expand this fishery in 2004. Kwipak Fisheries was the only buyer of Arctic lamprey on the Yukon River.

Kwipak Fisheries has signed a lease for use of the YDFM Co-op processing barge in preparation for the summer 2004 salmon season. Talks with the YDFM Co-op and its creditors continue in an effort for Kwipak Fisheries to acquire property at Emmonak in 2004. Talks also continue with another salmon buyer on the Yukon with the possibility of acquiring some or all of that operation's assets.

Kwipak Fisheries applied for a fisheries economic development grant from the State of Alaska. Initially denied, upon reconsideration the State awarded Kwipak Fisheries approximately \$170,000. for the purchase of equipment. This equipment would enable Kwipak Fisheries to purchase and ship chum salmon from the lower Yukon at a reasonable cost. Kwipak Fisheries believes with the acquisition of this equipment an ex-vessel price could be paid for chum salmon to fishermen that would make it worthwhile for those fishermen to fish.

Kwipak Fisheries has applied for a marketing grant from the State. It is Kwipak's intention to find domestic markets for more of the Yukon River salmon next summer. Kwipak is endeavoring to market a portion of this summer's pack domestically. The State has asked Kwipak Fisheries to consolidate its two grant proposals into one and resubmit. Kwipak has resubmitted its proposal and is awaiting acceptance of that proposal from the State.

Kwipak Fisheries has applied for a marketing grant from the Federal Alaska Fisheries Marketing Board. Kwipak is waiting for a response to that proposal, which is a proposal to market Yukon salmon domestically.

### **INVESTMENT IN GASLLC, LLC**

19. Provide ownership in M/V Golden Alaska on risk free basis.



Purchase of ownership in M/V Golden Alaska is financed through a non-recourse note that is payable from profits of the M/V Golden Alaska.

20. Arrange for harvest processing of CDQ Pollock at a competitive royalty.

Please see Confidential Financial Information

21. Provide a minimum of 25 processor jobs on Golden Alaska during A Season.

26 residents were aboard the Golden Alaska during the first quarter. 15 were first time trainees, 11 were returning crew.

22. Provide a minimum of 15 processor jobs on Golden Alaska during B Season.

14 residents were aboard the Golden Alaska during the second quarter. 3 were first time trainees, 11 were returning crew.

19 residents were aboard the Golden Alaska during the third quarter. 4 were first time trainees, 15 were returning crew.

4 residents were aboard the Golden Alaska during the fourth quarter. All 4 were employed in the third quarter.

23. Provide 1 – 2 jobs on non-YDFDA owned catcher vessels fishing for Golden Alaska.

1 resident was aboard the F/V Vanguard as a first time trainee during the first quarter.

#### F/V LISA MARIE

24. Provide 2 – 3 permanent fishing positions for Yukon Delta residents.

2 residents were aboard the F/V Lisa Marie fishing for opilio crab 1<sup>st</sup> quarter

4 residents were aboard the F/V Lisa Marie fishing sablefish 1<sup>st</sup> and 2<sup>nd</sup> quarter

3 residents worked on the F/V Lisa Marie doing maintenance work in Seward

3 residents were aboard the F/V Lisa Marie fishing for IFQ and CDQ sablefish and halibut in the 3<sup>rd</sup> quarter

5 residents were aboard the F/V Lisa Marie fishing for halibut, sablefish and king crab in the 4<sup>th</sup> quarter

25. Provide Yukon Delta residents with long-term crew shares.

Crew shares earned to date: \$107,952.

YDFDA Training wages to date: \$51,750.

NOTE: Training wages are included in crew shares.

26. Return an annual profit of \$100,000.

The F/V Lisa Marie had an excellent year in 2003, exceeding its annual profit goal.

27. Harvest CDQ crab, halibut, sablefish and IFQ halibut and sablefish.

The F/V Lisa Marie has harvested both open access and CDQ opilio and king crab. It has concentrated on all YDFDA CDQ Halibut as well as IFQ Halibut. The vessel has also harvested some CDQ Sablefish and the majority of our IFQ Sablefish.

#### INVESTMENT IN ALAKANUK BEAUTY, LLC & EMMONAK LEADER, LLC

28. Provide a minimum rate of return of 10% to YDFDA.

In 2003 the Alakanuk Beauty, LLC and Emmonak Leader, LLC met their minimum rate of return.

29. Provide 2 – 4 catcher vessel jobs for residents.

1 resident was aboard the F/V Ocean Leader for A and B Season as returning crew  
1 resident was aboard the F/V American Beauty for A and B Season as returning crew

Crew shares earned to date: \$134,484.

YDFDA Training wages to date: \$65,657.86.

NOTE: Training wages are included in crew shares.

30. Harvest a portion of YDFDA's pollock CDQ

The F/V Alakanuk Beauty and F/V Ocean Leader harvested approximately 49.5% of YDFDA's CDQ Pollock during the 2003 A Pollock Season and 57.9% during the 2003 B Pollock Season.

31. Build long-term, non-CDQ access to Bering Sea resources.

In addition to fishing their Co-op mothership quota for the M/V Golden Alaska, the F/V American Beauty and F/V Ocean Leader fished leased shoreside quota in a onshore pollock co-op as well as their own shoreside quota.

#### ROMANZOF FISHERIES, LLC

32. Provide a minimum return on investment of 10%.

Initial indications are that the C/P Baranof had an excellent year and exceeded its minimum rate of investment.

33. Provide up to 12 positions to YDFDA residents.

1 resident was aboard the C/P Baranof during the third quarter processing cod.

We have had a very hard time finding residents willing to fill these positions as crew shares earnings for these positions are lower than Pollock industry standards.

34. Help ensure that 100% of CDQ Pacific cod, crab and sablefish are harvested.

Primary contractor for Pacific Cod and harvested over 600 MT of CDQ Pacific Cod as well as a share of the Bristol Bay Red King Crab quota.

35. Harvest non-CDQ Pacific cod, crab and sablefish.

Fished open access and CDQ Pacific Cod and IFQ Sablefish in the first three quarters of the year. Vessel harvested both open access and CDQ King Crab and Pacific Cod during the fourth quarter right up until the end of the year.

#### IFQ SHARE PURCHASES

36. Purchase sablefish and halibut IFQ shares.

We continue to look for opportunities to purchase additional IFQ quota shares.

During the third quarter YDFDA purchased 55,927 units of Area 4B Halibut A Shares which equals about 25,000 pounds in 2003.

YDFDA purchased halibut and sablefish IFQ shares that are being fished by the F/V Lisa Marie.

37. Provide additional royalty income to YDFDA which will provide a minimum of 6% return on investment.

To date the F/V Lisa Marie has fished 94% of YDFDA's BS IFQ Sablefish and 100% of YDFDA's IFQ halibut (see confidential section for financial information).

38. Provide increased fishing time and vessel profits to Lisa Marie and/or the C/P Baranof that in turn provides longer fishing time for residents.

The F/V Lisa Marie fished IFQ sablefish from March to May providing employment for 4 residents.

The F/V Lisa Marie fished IFQ and CDQ halibut and sablefish in the third quarter providing employment for 3 residents.

The F/V Lisa Marie fished IFQ halibut and CDQ king crab in the fourth quarter providing employment for 5 residents.

## ***PROPOSED NON-PROFIT PROJECTS***

### **CULTURAL TOURISM – FISH CAMP EXPERIENCE**

39. Year 2003 – Contact adventure tour and specialty tour companies like Alumni Association Tours. Seek advice and support from Alaska Wilderness Recreation and Tour Association. Complete marketing analysis (likely to be contracted out to consultant familiar with remote tour operations). Identify willing residents and support staff. Select fish camp sites. Develop a business plan that integrates marketing, accommodations, transportation and other cultural activities. Develop a web site. Provide training for staff and host families.

Published a Request for Proposals in several local and statewide newspapers for approximately six weeks and received over seven telephonic inquiries regarding the RFP. By the end of November, two companies submitted proposals to determine whether or not a cultural camp would be feasible in the Lower Yukon region. The Board directed administration to make the final selection and award in January.

### **VESSEL SAFETY AND NAVIGATION**

40. Provide Vessel Safety, First Aid and Navigation Training annually to 30 Yukon Delta residents.

In the fourth quarter we contacted Jim Hubert with Alaska Vocational Technical Center to set up a training session for the villages of Kotlik and Mtn. Village on History of Navigation, Basic Navigation using charts and dividers, Use of a Magnetic Compass, GPS vocabulary and theory, and Hands-on use of GPS. Classes will be held in February of 2004.

41. On a bi-annual basis provide vessel safety re-certification for residents.

In the fourth quarter we contacted Jim Hubert with Alaska Vocational Technical Center in Seward and scheduled training sessions in Alakanuk, Emmonak and Nunam Iqua. Classes will be held in early spring of 2004.

### **SAFFRON COD TEST FISHERY**

42. Obtain state waters experimental fishing permit. Harvest 500 pounds. Identify a market and send out samples.

The ADF&G had tentatively approved a commissioner's permit to harvest saffron cod. A market was identified. The market did not make it feasible for fishermen to harvest saffron cod. YDFDA, through Kwikpak Fisheries, concentrated on developing commercial fisheries on another underutilized species, Arctic lamprey, commonly referred to as eel on the Yukon, at a price that enabled residents to fish and make a

profit. That fishery was a success in the fourth quarter of 2003 with 41 residents of CDQ and non CDQ villages participating. Kwikpak has plans to expand the eel fishery in 2004.

YDFDA continues to look for markets and product forms of saffron cod that would make the fishery feasible.

### ***ACTIVE NON-PROFIT PROJECTS***

#### **COMPREHENSIVE JOBS**

43. Place 85 Yukon Delta residents in jobs in offshore fisheries.

##### **1<sup>st</sup> Quarter**

26 residents were aboard the M/V Golden Alaska processing Pollock  
1 resident was aboard the F/V American Beauty fishing for Pollock  
1 resident was aboard the F/V Ocean Leader fishing for Pollock  
1 resident was aboard the F/V Vanguard fishing for Pollock  
5 residents were aboard the F/V Lisa Marie fishing for crab and sablefish  
1 resident was aboard the Bering Star processing crab  
1 resident was aboard the Ocean Phoenix processing Pollock

##### **2<sup>nd</sup> Quarter**

14 residents were aboard the M/V Golden Alaska processing Pollock  
1 resident was aboard the F/V Ocean Leader fishing for Pollock  
6 residents were aboard the F/V Lisa Marie fishing for sablefish and doing maintenance in Seward  
1 resident was aboard the Bering Star processing crab  
18 residents worked at Peter Pan Seafoods' plant in Dillingham

##### **3<sup>rd</sup> Quarter**

19 residents were aboard the M/V Golden Alaska processing Pollock  
1 resident was aboard the F/V American Beauty fishing for Pollock  
1 resident was aboard the F/V Ocean Leader fishing for Pollock  
3 residents were aboard the F/V Lisa Marie fishing for sablefish and halibut  
1 resident was aboard the C/P Baranof fishing for cod  
17 residents worked at Peter Pan Seafoods' plants in Dillingham and King Cove  
7 residents fish for Norton Sound King Crab out of Emmonak

##### **4<sup>th</sup> Quarter**

4 residents were aboard the M/V Golden Alaska processing Pollock  
1 resident was aboard the F/V American Beauty fishing for Pollock  
1 resident was aboard the F/V Ocean Leader fishing for Pollock  
5 residents were aboard the F/V Lisa Marie fishing for halibut, sablefish and king crab

## VOCATIONAL TRAINING

### 44. Place 20 Yukon Delta residents with vocational training.

4 residents were enrolled in vocational training programs at AVTEC at the beginning of the year. One graduated in the first quarter and three graduated in the second quarter.

3 residents began vocational training programs at AVTEC in the third quarter and were still enrolled in the fourth quarter.

### 45. Provide 1 training class for the Board of Directors.

In conjunction with the April Board of Directors meeting in Seattle, the Board also had their training. They toured the M/V Golden Alaska and Sea Blends surimi plant. The intent of this training was for the Board Members to see first hand one of YDFDA's investments. They were able to see how the Pollock was processed in the factory of the mothership and then how it was further processed at the surimi plant.

### 46. Provide 1 training class for Village Representatives.

In April the village representatives traveled to Seattle for training. They toured Icicle Seafoods' Pollock processing vessel the P/V Northern Victor. They also toured the M/V Golden Alaska and Sea Blends surimi plant. The intent of this training was to provide the village representatives with first hand knowledge of the types of vessels they are trying to provide employment on and be better equipped to answer questions.

## SCHOLARSHIPS

### 47. Provide 20 residents with scholarships.

The Scholarship Committee met on November 25, 2003 and adopted proposed language to amend the YDFDA Scholarship Policies & Procedures and to approve scholarship awards. Seven students were approved for Spring 2004 semester.

A total of 41 scholarships were funded in 2003.

### 48. Provide 10 residents with "B" scholarship (regional, non-CEQ residents)

The Scholarship Committee met on November 25, 2003 and adopted proposed language to amend the YDFDA Scholarship Policies & Procedures and to approve scholarship awards. One student was approved for Spring 2004 semester.

A total of 2 "B" scholarships were awarded in 2003.

49. Contribute \$200,000 annually (this is a \$50,000 increase) to Yukon Delta Education Fund (includes “B” Scholarship program)

\$200,000 was contributed to the Yukon Delta Education Fund in 2003.

50. Receive Fishery Tax Credit Contributions in excess of \$150,000.

YDFDA received fishing tax credits in excess of \$150,000. Please see Confidential Issues for details.

#### INTERNSHIPS AND APPRENTICESHIPS

51. Place 6 residents as crew on catcher vessels.

3 residents participated in the catcher vessel internship program aboard the F/V American Beauty, F/V Ocean Leader and F/V Vanguard.

14 residents participated in the catcher vessel internship program aboard the F/V Lisa Marie.

52. Place 3-5 residents as interns in private companies.

1 resident completed an advanced internship at Peter Pan Seafoods’ Seattle office. He worked at Peter Pan Seafoods’ Dillingham operation this summer as well as working for Kwipak Fisheries in Emmonak.

#### RURAL DEVELOPMENT SPECIALIST

53. YDFDA’s Rural Development Specialist works with the YDFDA Board of Directors, regional communities (tribal, city and village corporations) on issues ranging from local and regional planning, community and economic development projects and job training for private and public construction.

- ◆ Attended the Annual Association of Village Council Presidents (AVCP) meeting in Bethel
- ◆ Teleconferenced with Brandi Berg of the UA Foundation to discuss scholarship awards
- ◆ Attended the Alaska Federation of Natives (AFN) Convention
- ◆ Attended the Yukon River Drainage Fisheries Development Association (YRDFA) Board meeting

- ◆ Presented the YDFDA Scholarship Program to over 15 high school senior students in Mountain Village and St. Mary's
- ◆ Attended the local advisory committee meeting of the Department of Fish & Game in Mountain Village
- ◆ Attended the Alaska Native Education Summit in Anchorage
- ◆ Assisted in the development of grant applications for marketing chum and King salmon from the Lower Yukon
- ◆ Traveled to Sitka to meet with 14 high school seniors and distribute information about the YDFDA Scholarship Program
- ◆ Distributed YDFDA Scholarship applications to the University of Alaska Southeast Campus and Sheldon Jackson campus
- ◆ Traveled to Fairbanks to meet with YDFDA scholarship recipients and distribute scholarship applications
- ◆ Met with YDFDA scholarship recipients at UAA and distributed scholarship applications
- ◆ Attended the Arctic-Yukon-Kuskokwim (AYK) meeting in Anchorage
- ◆ Participated in the YDFDA Scholarship Committee meeting
- ◆ Participated in the YDFDA Quarterly Board Meeting and Salmon Summit
- ◆ Participated in the CDFI Informational Workshop in Anchorage
- ◆ Participated in the RURAL Cap Foundation Board meeting
- ◆ Sponsored the Alaska Small Business Development Center to administer a Small Business Workshop for 13 residents from the villages of Alakanuk, Emmonak, Nunam Iqua, and Mountain Village in St. Mary's
- ◆ Reviewed proposals submitted for the feasibility study for the cultural camp project

#### ALUMINUM BOAT FABRICATION AND REPAIR

54. Continue to operate shop in Alakanuk for small vessel construction and repairs.



In the fourth quarter production began on aluminum skiffs of an improved design. This production continued throughout the quarter. Numerous offers to purchase skiffs were tendered. Plans have been developed to allow for payments by fishermen for purchases and repairs of skiffs at the Alakanuk shop through Kwikpak Fisheries. This would ease transactions involving purchase or payment for services rendered by the Alakanuk shop to fishermen.

55. Expand production to include aluminum ATV trailers and sleds.

Due to the overwhelming interest in the purchase of aluminum skiffs, skiff production has taken precedence over trailer production. The company that designed the aluminum skiffs is designing an ATV trailer that would enable the aluminum shop to fabricate trailers with a minimal amount of fabrication time. Trailer production will be done on an as needed basis only.

56. Considering the leasing or building of a larger facility for vessel construction and repair.

Negotiations continue with the YDFM Co-op and its creditors with the goal of acquiring land and buildings at Emmonak which could include a shop for skiff construction and repair. The goal is to acquire this property by the summer of 2004 YDFDA continues to lease a shop at Alakanuk for skiff production and repair and may continue to do so even with the acquisition of land and buildings at Emmonak in an effort to spread economic development throughout all of the YDFDA villages.

57. Provide employment for 1 – 4 welders annually depending upon demand.

5 residents were employed by the Alakanuk Shop during the fourth quarter. 3 were returning from previous quarter, 2 were new hires in the fourth quarter..

NORTON SOUND HERRING AND CRAB FISHERIES

58. Diversify local fishing from salmon into other fisheries.

YDFDA continues its outreach to local fishermen advising them of the availability of herring permits through its YDFDA/State of Alaska Division of Investments loan guarantee program. YDFDA continues to retain a buyer's agent to identify permits available.

Nine herring skiffs from Yukon River fishermen from CDQ and non-CDQ villages were placed in storage at Unalakleet to expedite access to the herring grounds in the spring of 2004.

Because of very low ex-vessel prices YDFDA provides fishermen a bonus on their herring deliveries at 10% roe and above. This is an incentive for fishermen to deliver

quality fish at a better ex-vessel price than a normal derby fishery would provide. This bonus allows fishermen the opportunity to make it worth their time to fish.

YDFDA hopes the two programs; herring skiff storage at Unalakleet in proximity to the fisheries and the bonus incentive program entices salmon fishermen to consider investing in the herring fishery.

59. Help secure a market for 31 herring permit holders and 16 crab permit holders.

YDFDA, through Kwikpak Fisheries, intends to deliver all of its Norton Sound CDQ crab into Emmonak for processing in the summer of 2004. Options are being explored to provide a means to allow for the prosecution of an open access Norton Sound crab fishery based out of the Yukon. Plans are being developed to continue exploration to locate Norton Sound crab in proximity to the Yukon Delta.

YDFDA placed 9 herring vessels in storage at Unalakleet for winter storage. It is believed that this commitment will provide access to a market the spring of 2004. Negotiations continue to provide a market for YDFDA herring fishermen. YDFDA will consider whether to continue its herring bonus program as an incentive for Yukon herring fishermen during its spring Board meeting.

60. Assist 4 resident herring fishermen in purchasing reels and shakers annually.

In the first quarter we installed one new herring reel and shaker on an Emmonak resident's vessel. Modified and repaired a vessel from Kotlik with a reel and shaker.

In the second quarter we installed a reel and shaker on a 32' bow picker owned by the YDFM Coop at Emmonak for lease to a local herring fisherman. YDFDA purchased a complete reel and shaker in preparation for installing on a private skiff. The welding shop modified a shaker on a skiff from Kotlik to enable that skiff to operate more efficiently.

In the third quarter the Alakanuk shop made repairs to three herring skiffs in preparation for next year's herring season. A reel and shaker was installed on one skiff and a shaker installed on another.

In the fourth quarter YDFDA began contacting herring fishermen to gauge interest in continuing the reel and shaker purchase program into 2004.

61. Assist resident crab fishermen in purchasing davits, blocks and pots.

In the third quarter YDFDA purchased and installed four crab blocks and built corresponding davits to enable four fishermen to participate in the Norton Sound crab fishery. YDFDA also provided pots to four fishermen enabling them to participate in the crab fishery.

During the fourth quarter YDFDA began exploring options that would allow for a Norton Sound crab fishery to be based out of the Yukon. This would make it feasible for local crab fishermen to continue to invest in crab gear.

## LOAN GUARANTEES

62. Familiarize residents with the risks and advantages of participating in YDFDA's loan guarantee program.

We continue to make residents aware of the risks and advantages of our loan guarantee program.

During the second quarter we provided seven residents with Division of Investment applications.

The successful salmon season this year sparked renewed interest in our loan program. One application was received in the third quarter.

During the fourth quarter, we provide technical support to two residents in the area.

63. Provide loan guarantees to qualified applicants for the purchase of Yukon River salmon, Cape Romanzof herring, and Norton Sound herring limited entry permits.

During the second quarter we assisted one resident in purchasing a salmon permit. We also provided information to two more residents interested in buying Lower Yukon Salmon Permits.

After the successful salmon season this year there is a renewed interest in our loan program. We received numerous inquiries in the third quarter.

During the fourth quarter we assisted thirty-nine residents obtain permits for the fresh water Finfish fisheries. Forty-one residents participated in the eel fishery. Nine residents from Mtn. Village, sixteen residents from St. Mary's and sixteen from Grayling.

64. Provide loan guarantees to qualified applicants to purchase fishing gear and vessels.

YDFDA has provided applications and answered questions on loan guarantees for residents interested in buying a vessel from YDFDA or the purchase of an outboard motor. Five people inquired about the program in the quarter.

In the third quarter YDFDA provided financing for 4 residents who purchased skiffs.

In the fourth quarter YDFDA helped one resident get a vessel from Yukon Delta Manufacturing, LLC. During the Lamprey fisheries, YDFDA provided thirty-six nets

and three hundred burlap bags for the fisherman to use in Mtn. Village, St. Marys' and Grayling.

#### 4E HALIBUT TEST FISHERY AND DEVELOPMENT

##### 65. Work with fishermen to locally harvest CDQ 4E halibut allocation by 2005.

The 2003 salmon season on the Yukon River lasted longer than was anticipated. In addition to the extended salmon season, residents were also involved in fishing the Norton Sound crab fishery out of Emmonak. For these reasons, there was little time left for residents to concentrate on developing a local halibut fishery.

YDFDA began developing plans during the fourth quarter for a portion of its 2004 halibut allocation to be caught in proximity to the Yukon by local residents

##### 66. Diversify local fishing from salmon into other species.

In the fourth quarter YDFDA, through Kwikpak Fisheries, received tentative approval from ADF&G to receive a commissioner's permit for the purchase of saffron cod and approval of a commissioner's permit to purchase Arctic lamprey, commonly referred to as eel. Due to market conditions YDFDA did not engage in a directed saffron cod fishery. YDFDA did pursue the purchase of eel from the Yukon.

Kwikpak Fisheries purchased eel in the non-CDQ village of St. Mary's from residents of St. Mary's and Mountain Village. Kwikpak Fisheries also purchased eel in the CDQ village of Grayling. The eel fishery occurred in November at St. Mary's and early December at Grayling. Kwikpak Fisheries utilized 21 employees from both villages and purchased eel from 41 fishermen. Fishermen netted close to \$1,600 each from this short test fishery. This was a major boost to the economy of those villages at a time of year when very little is happening. YDFDA assisted fishermen in receiving the required freshwater permit to participate.

YDFDA has plans to continue the eel fishery in 2004 with plans to increase the quota taken. YDFDA continues to search for a viable market for saffron cod. YDFDA is considering a commercial test fishery for Bering Cisco to be prosecuted in the villages of Kotlik and Nunam Iqua during the fall of 2004.

##### 67. Utilize 10-12 vessels with local crew to harvest halibut

Four residents were aboard wholly-owned F/V Lisa Marie fishing YDFDA's CDQ halibut.

68. Provide employment to residents through fishing, processing and shipping of halibut.

Four residents were aboard the F/V Lisa Marie fishing YDFDA's CDQ halibut. As this quota was caught outside the Yukon Delta region, no processing or shipping was done.

69. Provide additional source of product to salmon buying operation

In the third quarter, YDFDA, through Kwikpak Fisheries, installed a crab processing line on the leased salmon barge at Emmonak. Kwikpak successfully sectioned, cooked and froze Norton Sound crab utilizing the line and the barge. This product is being utilized to develop a market for crab coming out of the Yukon.

In the fourth quarter YDFDA continued to explore options that would make it feasible for local salmon fishermen to prosecute a Norton Sound crab fishery out of the Yukon River.

## REGIONAL FISHERIES ECONOMIC DEVELOPMENT

70. Fund individuals, communities and organizations that promote development opportunities in the lower Yukon.

YDFDA made a donation to the Davis Louis Memorial School in Grayling for students attending AFN in Anchorage.

YDFDA sponsored one resident of Emmonak attending AFN in Anchorage.

YDFDA sponsored two residents from Emmonak attending the Rural Development Conference in Anchorage.

YDFDA sponsored 5 residents in addition to 13 board members attending and testifying at the Federal Subsistence Board Meetings in Anchorage.

YDFDA made a donation to the United Catcher Boats' Salmon Bycatch Avoidance Research project.

YDFDA made a donation to Yukon River Drainage Fisheries Association to sponsor Yukon River Salmon In-Season Management Teleconferences which bring together fishers and managers along the whole Yukon River.

YDFDA provided legal assistance to protect the lower Yukon salmon commercial fishery at the Federal Subsistence Board Meetings.

YDFDA provided legal assistance to the Emmonak Co-Op.

YDFDA hosted U.S. Senator Lisa Murkowski at both Alakanuk and Emmonak. It was YDFDA's intent to impress upon the Senator the importance of commercial fisheries to the economy of the Yukon Delta and also for the need to revitalize the market for wild salmon. The Senator also saw for herself the need for continued infrastructure development in the region.

YDFDA provided testimony to the National Research Council as to the importance to the economy of the region of continued strong returns of salmon to the Yukon River.

YDFDA funded a position to monitor, coordinate and disseminate information to the lower Yukon community leadership on important upcoming Federal Subsistence Board and State Board of Fisheries meetings concerning Yukon River salmon.

YDFDA made a donation to the Fishing Vessel Owner's Association's non-profit organization "Eat on the Wild Side".

YDFDA makes an annual contribution to village entities for local needs. Maximum annual contribution per village is \$2,500.

#### 2003 Donations

Alakanuk Search & Rescue	\$2,500
Emmonak Student Council - Yearbook	\$250
Emmonak Women's Shelter	\$1,500
Emmonak Elders	\$500
Emmonak School – Water Safety Tank	\$250
Grayling Search & Rescue	\$2,500
Kotlik City Council - Fire Fighting Equipment	\$2,500
Mountain Village – Search and Rescue	\$2,500
Nunam Iqua – Nunam Iqua Traditional Council	\$2,500

### ***ACTIVE INFRASTRUCTURE PROJECTS***

#### **LOWER YUKON REGIONAL SALMON QUALITY**

71. Provide ice machines and insulated fish totes to 4 villages on the lower Yukon River.

YDFDA, through Kwikpak Fisheries, completed installation of the new ice machine facilities in Kotlik and Mountain Village. Kwikpak Fisheries conducted fish buying operations in both villages. The fish buying operations were well received by both villages. The salmon operation in the non-CDQ village of Marshall fully utilized the ice machine located in that village in their salmon buying operation.

Due to the size of the commercial fishery in the fall, the ice machines in Kotlik and Mountain Village were not utilized. They will be utilized in the summer 2004 Chinook fishery.

During the fourth quarter, YDFDA applied for and received a \$170,000 Fisheries Economic Development grant from the State of Alaska. This grant will be used to purchase equipment. This equipment should enable Kwikpak Fisheries to process chum salmon at the least amount of expense. Any savings of expense would be used to boost the ex-vessel price paid to fishermen for chum salmon. This may make it worthwhile for fishermen to once again target chum salmon.

72. Introduce and continue instructing salmon quality techniques to fishermen on the Yukon River.

This winter Kwikpak will educate fishermen in the importance of bleeding salmon for maintaining quality.

Two Yukon Delta residents attended HACCP and Sanitation classes in Anchorage.

YDFDA provided instructions to the eel fishermen on how to properly handle their catch.

73. Build into Yukon Salmon Regional Marketing.

Expanded Kwikpak Fisheries in the 2003 Chinook season to purchase salmon at Emmonak, Kotlik, Mountain Village and the non CDQ village of St. Mary's. Kwikpak Fisheries employed residents in each of those locations. Expanded marketing to include two Japanese companies and shipped product to Seattle to reintroduce product back into a U.S. domestic market. Kwikpak Fisheries is looking at a third market in Japan to increase our market base in 2004.

During the fourth quarter Kwikpak Fisheries applied for two marketing grants. The first from the Department of Community and Economic Development is under consideration by the State at this time. This grant would be for the domestic marketing of Yukon Chinook salmon and market development for Yukon chum salmon. The second application to the Federal Alaska Fisheries Marketing Board is also under consideration at this time. This grant would also be for the domestic marketing of Yukon Chinook salmon and a marketing program for Yukon chum. The goal of both marketing programs would be to preserve the historic ex-vessel price paid to fishermen on the Yukon River in light of market difficulties brought on by hatchery chums and farmed chinook.

### ***ACTIVE FUND/CASH MANAGEMENT PROJECTS***

#### **RESERVE FUND**

74. To maintain Reserve Funds adequate to mitigate the effects of a downturn in the fishing industry, preserve capital, provide investment return and liquidity.

See Financial Statements

75. At a minimum have one year's operational expenses covered by Reserve Fund.

See Financial Statements

### ***ADMINISTRATIVE EFFORTS***

#### **ADMINISTRATION BUDGET**

76. YDFDA board review on a quarterly basis to ensure that Board and administration expenses remain below 20% of projected income (income defined as royalty, income from joint venture investments and investment income).

See Financial Statements

77. YDFDA Board reviews administrative expenses on a quarterly basis and adjustments made as necessary to keep expenses below the 20% threshold.

See Financial Statements



## **B. OUTREACH**

YDFDA's scholarship program includes non-CDQ villages in the region. This includes non-CDQ villages on the Yukon River between Grayling and Mt. Village, which are included in the Lower Yukon and Iditarod School Districts. The Scholarship Committee met in August to approve scholarship recipients and approve minor changes to the scholarship policies.

YDFDA has chosen a web site developer to design our website. A website will provide additional access to Yukon Delta residents seeking information about our programs.

As part of the outreach activities, our Rural Development Specialist was involved in the following activities:

- ◆ Attended the Annual Association of Village Council Presidents (AVCP) meeting in Bethel
- ◆ Teleconferenced with Brandi Berg of the UA Foundation to discuss scholarship awards
- ◆ Attended the Alaska Federation of Natives (AFN) Convention
- ◆ Attended the Yukon River Drainage Fisheries Development Association (YR DFA) Board meeting
- ◆ Presented the YDFDA Scholarship Program to over 15 high school senior students in Mountain Village and St. Mary's
- ◆ Attended the local advisory committee meeting of the Department of Fish & Game in Mountain Village
- ◆ Attended the Alaska Native Education Summit in Anchorage
- ◆ Assisted in the development of grant applications for marketing chum and King salmon from the Lower Yukon
- ◆ Traveled to Sitka to meet with 14 high school seniors and distribute information about the YDFDA Scholarship Program
- ◆ Distributed YDFDA Scholarship applications to the University of Alaska Southeast Campus and Sheldon Jackson campus
- ◆ Traveled to Fairbanks to meet with YDFDA scholarship recipients and distribute scholarship applications
- ◆ Met with YDFDA scholarship recipients at UAA and distributed scholarship applications
- ◆ Attended the Arctic-Yukon-Kuskokwim (AYK) meeting in Anchorage
- ◆ Participated in the YDFDA Scholarship Committee meeting
- ◆ Participated in the YDFDA Quarterly Board Meeting and Salmon Summit
- ◆ Participated in the CDFI Informational Workshop in Anchorage
- ◆ Participated in the RURAL Cap Foundation Board meeting
- ◆ Sponsored the Alaska Small Business Development Center to administer a Small Business Workshop for 13 residents from the villages of Alakanuk, Emmonak, Nunam Iqua, and Mountain Village in St. Mary's

- ◆ Reviewed proposals submitted for the feasibility study for the cultural camp project

Our village representative program continues in all six villages, Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Nunam Iqua. The village representatives work in the communities to provide information regarding employment opportunities and training positions. They also administer drug tests to applicants. They have applications and information for residents interested in the scholarship programs and loan applications from both the Division of Investments and the AVCP Revolving Loan Program.

In April the village representatives traveled to Seattle for training. They toured Icicle Seafoods' Pollock processing vessel the P/V Northern Victor. They also toured the M/V Golden Alaska and Sea Blends surimi plant. The intent of this training was to provide the village representatives with first hand knowledge of the types of vessels they are trying to provide employment on and be better equipped to answer questions.

YDFDA's newsletter, the "Yukon Drifter", is mailed to every household in member communities.

In October the Training and Employment Coordinator traveled to Mtn. Village, Nunam Iqua and Alakanuk making recruiting for 2004 A Season presentations. He is located in our Emmonak office. His duties include finding and filling inshore/offshore training and employment opportunities as well as training and educational opportunities at AVTEC, Alaska Pacific University, Sheldon Jackson College, all branches of the University of Alaska, and other learning institutes that meet the qualifications of our Scholarship program. This person also interacts with residents providing information on YDFDA's permit and gear loan programs through the Division of Investments and the AVCP Revolving Loan Programs. YDFDA feels it is important to administer these programs from the villages so residents have easy access to the programs they are most interested in.

Discussions continue with District Y2 fishermen to address the problems of marketing district 2 salmon.

The attached announcements were posted in the villages during the third quarter.

## C. EMPLOYMENT

### 1. EMPLOYMENT DATA FORM – December 31, 2003

	4 <sup>th</sup> Quarter		Year-To-Date	
	People	Wages	People	Wages
Management/Administrative	8	\$139,478.17	8	\$516,042.76
Village Representatives	6	\$3,500.00	6	\$25,500.00
CDQ Pollock				
A Season	--	\$	26	\$335,032.00
B Season	4	\$112,358.55	7	\$112,358.55
Other Fishing	31	\$121,625.00	71	\$317,073.32
Other Employment	29	\$38,025.25	143	\$184,936.39
Internships	1	\$6,543.00	1	\$12,558.00
Total of Rows	79	\$421,529.97	262	\$1,503,501.02
Total Unique Individuals	79	\$421,529.97	262	\$1,503,501.02

### 2. SUMMARY:

- ◆ Management/Administrative – 8
- ◆ Village Representatives – 6 (one from each of the six villages)
- ◆ CDQ Pollock – 4
- ◆ Other Fishing – 31
- ◆ Internships – 1

#### Other Employment

- ◆ YDFDA Welding Program – 5
- ◆ Kwikpak Fisheries - 24

**NOTES TO EMPLOYMENT DATA FORM:**

Management/Administrative – 8 employees working for YDFDA in Alakanuk, Anchorage, Emmonak, and Seattle. Six employees are or have been residents of YDFDA member villages.

Village Representatives - 6 residents representing YDFDA as Village Representatives, one in each member village.

CDQ Pollock – M/V Golden Alaska out of Dutch Harbor, AK  
4 residents worked in the processing plant. All 4 were returning crew.  
Breakdown by village:           3 residents from Emmonak  
  1 resident from Grayling

Other Fishing – 31 residents Total

5 residents trained on YDFDA's F/V Lisa Marie fishing for halibut, sablefish and king crab out of Dutch Harbor, AK. 2 were returning crew, 3 were first time trainees.  
Breakdown by village:           3 residents from Emmonak  
  2 residents from Alakanuk

1 resident continued as crew in a training program on Golden Alaska's Catcher Vessel F/V Ocean Leader. He was fishing for Pollock out of Dutch Harbor, AK.

1 resident continued as a crew in a training program on Golden Alaska's Catcher Vessel F/V American Beauty. He was fishing for Pollock out of Dutch Harbor, AK.

Breakdown by village:           1 resident from Emmonak  
  1 resident from Alakanuk

1 resident worked aboard the Northern Aurora processing cod out of Dutch Harbor. He was a first time trainee.

Breakdown by village:           1 resident from Nunam Iqua

21 residents participated in the eel fishery out of St. Mary's and Grayling. All 21 were new fishermen.

Breakdown by village:           3 residents from St. Mary's  
  18 residents from Grayling

2 residents fished for Norton Sound King Crab out of Emmonak. Both were returning fishermen.

Breakdown by village:           2 residents from Emmonak

Other Employment – 29 residents Total

5 residents were employed at YDFDA's welding facility in Alakanuk. 3 were continuing employees, 2 were new hires..

Breakdown by village:           3 residents from Emmonak  
  2 residents from Alakanuk

24 residents were employed by Kwipak Fisheries' salmon processing operation. 5 were continuing employees, 19 were new this quarter.

Breakdown by village:           5 residents from Emmonak  
  19 residents from St. Mary's

Internships – 1 resident began an intern at Peter Pan Seafoods' Seattle office and Kwipak Fisheries LLC's Seattle office. He has worked previously for Peter Pan Seafoods at other locations. He is a graduate of AVTEC's Business & Office Technology Course.

Breakdown by village:           1 resident from Emmonak

## D. TRAINING

### 1. TRAINING DATA FORM – December 31, 2003

	4 <sup>th</sup> Quarter		Year-To-Date	
	People	Expenditure	People	Expenditure
<b>Scholarships</b>				
University of Alaska	26	\$00.00	34	\$120,000.00
Alaska Pacific University	0	\$00.00	1	\$2,500.00
Sheldon Jackson College				
Other Institutes	6	\$2,500.00	8	\$20,500.00
<b>Voc-Tech Classes</b>				
Advanced – AVTEC	3	\$903.32	7	\$16,533.49
<b>Other Training</b>				
Fisheries Related – See Emp Sheet	4	\$12,661.00	66	\$81,702.68
Lisa Marie Training Wages	--	\$32,032.87	--	\$51,750.03
Catcher Vessel Training Wages	--	\$27,561.82	--	\$65,657.86
Interns	1	\$2,665.46	1	\$6,102.4
Other – Village Rep Training/CDL	1	\$1,066.74	7	\$10,084.06
<b>Other Expenditures</b>				
To Educational Institutes				
Educational Endowment Funds				
Other				
<b>Total</b>	41	\$79,391.21	124	\$374,830.52

### 2. SUMMARY

- ◆ Scholarships – 32
  - ◆ Voc - Tech Classes - 3
  - ◆ Fisheries Training Expenses – 4
  - ◆ Lisa Marie/Catcher Vessel Training Wages – People counted in Fisheries Training
  - ◆ Alaska Works Partnership Apprenticeship Program – 1
  - ◆ Internship - 1
- Total – 41

## NOTES TO TRAINING DATA FORM:

### Scholarships/Voc-Tech Classes - 35 Students Total

26 residents were enrolled at the University of Alaska under YDFDA's scholarship program. All were continuing students.

Breakdown by village:       6 residents from Alakanuk  
                                     6 residents from Emmonak  
                                     8 residents from Mt. Village  
                                     6 residents from Kotlik

1 resident is currently enrolled at Harvard under YDFDA's Educational Program. Continuing student.

Breakdown by village:       1 resident from Grayling

2 residents are currently enrolled at Career Academy under YDFDA's Educational Program. One is a new student, 1 is a continuing student.

Breakdown by village:       2 residents from Kotlik

1 resident is currently enrolled at Black Foot Community College under YDFDA's Educational Program. Continuing student.

Breakdown by village:       1 resident from Mtn. Village

1 resident is currently enrolled at Haskell Indian Nation under YDFDA's Educational Program. Continuing Student.

Breakdown by village:       1 resident from Mtn. Village

1 resident is currently enrolled at Fort Lewis College under YDFDA's Scholarship "B" Program. Continuing Student.

Breakdown by village:       1 resident from St. Mary's

2 residents are currently enrolled in AVTEC's Business & Office Technology program in Seward, AK

Breakdown by village:       1 resident from Emmonak  
                                     1 resident from Kotlik

1 resident is currently enrolled in AVTEC's Industrial Electricity program in Seward, AK

Breakdown by village:       1 resident from Mtn. Village

Fisheries Training – 3 residents total were involved in YDFDA's fisheries training program.

NOTE: Definition of training program is first time experience.

3 residents were aboard the F/V Lisa Marie as first time trainees fishing for sablefish, halibut and king crab.

Breakdown by village:       2 residents from Alakanuk  
                                     1 resident from Emmonak

1 resident was aboard the Northern Aurora as a first time trainee processing cod.

Breakdown by village: 1 resident fro Nunam Iqua

Other Training – 1 resident is working with Alaska Works Partnership applying for a Plumbing Apprenticeship.

Breakdown by village: 1 resident from Emmonak

Internships – 1 resident began an intern at Peter Pan Seafoods' Seattle office and Kwikpak Fisheries LLC's Seattle office. He has worked previously for Peter Pan Seafoods at other locations. He is a graduate of AVTEC's Business & Office Technology Course.

Breakdown by village: 1 resident from Emmonak



### **III. ADMINISTRATION**

#### **A. Board Activities**

Changes in Membership – YDFDA held its' annual Board of Directors election in October.

Re-Elected Board Members

Frank Alstrom, Jr - Alakanuk  
Billy Charles. - Emmonak

Newly-Elected Board Members

Fred Beans – Mtn. Village  
Alexie Walters, Sr. – Mtn. Village  
Frank Camille – Nunam Iqua

The Board of Directors met once during the fourth quarter.

December 6 & 7, 2003 – Anchorage, AK

The Scholarship Committee met by teleconference November 25, 2003.

NOTE: Please see Confidential Exhibit C for minutes.

#### **B. State of Alaska Reporting Compliance - None**

#### **C. CDP Amendment Status**

October 3, 2003	03-15 YD Add Ocean Peace and Sea Freeze Trawl/Catcher processors as authorized vessels under the CDP
October 20, 2003	03-16YD Transfer 8 MT of CAI Atka mackerel to BBEDC for joint fishery
November 5, 2003	03-17 YD Transfer Miscellaneous EAI Atka mackerel and by-catch from BBEDC to YDFDA
October 20, 2003	03-18 YD Rejected transfer of quota
November 5 2003	03-19 YD Transfer miscellaneous remaining amounts of EAI Atka Mackerel and by-catch from CVRF to YDFDA
November 5, 2003	03-20 YD Transfer remaining balance of APICDA Bristol Bay Red King Crab to YDFDA
November 11,2003	03-21YD Transfer Miscellaneous remaining amounts of AI 541 Atka Mackerel and by- catch to YDFDA from CBSFA.
November 26, 2003	03-22 YD Transfer Yellowfin Sole and Other Species to BBEDC for the joint flatfish fishery.

December 23, 2003    03-23 YD Substantial Amendment to purchase Discounted note  
from Capital Crossing Bank.  
Renumbered to be 04-01 YD January 2004

**D. Other Issues - None**

## HARVESTING ACTIVITIES

### A. Pollock & Multi-species Harvest by Quarter/YTD Activities by Target Fishery.

#### Summary Table of all target fisheries taking place in the Fourth Quarter

YDFDA MS CDQ / PSQ Account Status Report December 31, 2003														
Species or Species Group	Units	2003 Annual Allocation	Transferred In	Transferred Out	Allocation after transfers	1st Qtr	CDQ / PSQ Catch Reported			4th Qtr	YTD Harvest	Percent Harvested	CDQ / PSQ Remaining	Percent Remaining
							2nd Qtr	3rd Qtr						
A/B season (40%)	mt	8,353.856			8,353.856	8,320.783					8,320.783	99.60%	33.073	0.40%
C/D season (60%)	mt	12,530.784			12,530.784		3,068.727	9,446.782	48.450	12,563.959	100.26%	-33.175	-0.26%	
BS Pollock - total	mt	20,884.640			20,884.640	8,320.783	3,068.727	9,446.782	48.450	20,884.742	100.00%	-0.102	0.00%	
AI Pollock	mt	N/A												
Bogoslof Pollock	mt	N/A												
Pacific Cod	mt	2,956.970		-108.500	2,848.470	598.131	866.468	931.785	184.052	2,580.436	90.59%	268.034	9.41%	
BS FG Sablefish	mt	89.900	80.000		169.900	0.003	19.299	4.932		24.234	14.26%	145.666	85.74%	
AI FG Sablefish	mt	65.100	60.000		125.100		72.590	4.182		76.772	61.37%	48.328	38.63%	
BS Sablefish	mt	23.980		-9.500	14.480		0.035	0.002		0.037	0.26%	14.443	99.74%	
AI Sablefish	mt	12.180		7.000	19.180							19.180	100.00%	
WAI Atka Mackerel	mt	269.820		-260.000	9.820			0.011	0.013	0.024	0.24%	9.796	99.76%	
CAI Atka Mackerel	mt	396.360		-395.000	1.360							1.360	100.00%	
EAI/BS Atka Mackerel	mt	143.820		-75.500	68.320		0.925	0.042	0.018	0.985	1.44%	67.335	98.56%	
Yellowfin Sole	mt	1,695.870		-1645.000	50.870	22.974	7.459	8.313	1.153	39.899	78.43%	10.971	21.57%	
Rock Sole	mt	759.000		-608.000	151.000	14.493	0.600	0.286	0.067	15.446	10.23%	135.554	89.77%	
BS Greenland Turbot	mt	40.200		-20.100	20.100	0.023	5.685	2.549	0.024	8.281	41.20%	11.819	58.80%	
AI Greenland Turbot	mt	18.810		21.600	40.410		4.357	0.483		4.840	11.98%	35.570	88.02%	
Arrowtooth Flounder	mt	198.000		-57.020	140.980	3.495	18.345	21.965	0.907	44.712	31.72%	96.268	68.28%	
Flathead Sole	mt	300.000		-210.000	90.000	11.479	4.480	8.281	1.196	25.436	28.26%	64.564	71.74%	
Other Flatfish	mt	58.500		-46.000	12.500	1.379	0.221	0.163	0.160	1.923	15.38%	10.577	84.62%	
Alaska Plaice	mt	105.000		-68.000	37.000			0.016	0.028	0.044	0.12%	36.956	99.88%	
BS Pacific Ocean Perch	mt	16.960		-10.500	6.460	0.009	0.002	0.005		0.016	0.25%	6.444	99.75%	
WAI Pacific Ocean Perch	mt	79.020		-74.000	5.020							5.020	100.00%	
CAI Pacific Ocean Perch	mt	45.180		-42.000	3.180							3.180	100.00%	
EAI Pacific Ocean Perch	mt	47.340		-43.000	4.340							4.340	100.00%	
BS Northern	mt	N/A				0.007				0.007				
AI Northern	mt	79.380		-31.000	48.380			0.041	0.041	0.082	0.17%	48.298	99.83%	
BS shortraker/rougheye	mt	N/A					0.010			0.010				
AI shortraker/rougheye	mt	11.780		1.000	12.780		0.029	0.098	0.069	0.196	1.53%	12.584	98.47%	
BS Other Rockfish	mt	13.680		-6.000	7.680	0.023	1.221	0.096		1.340	17.45%	6.340	82.55%	
AI Other Rockfish	mt	9.120		1.500	10.620		0.017	0.016	0.010	0.043	0.40%	10.577	99.60%	
Other Species	mt	484.600		-98.881	385.719	65.443	156.829	104.917	24.714	351.903	91.23%	33.816	8.77%	
Prohibited Species														
Zone 1 Red King Crab	numbers	1673		-837	836		34	121		155.023	18.54%	681	81.46%	
Zone 1 Bairdi Tanner Crab	numbers	19110		-9555	9555				22.766	22.766	0.24%	9.532	99.76%	
Zone 2 Bairdi Tanner Crab	numbers	53460		-26730	26730		158	74		232.754	0.87%	26.497	99.13%	
Opilio Tanner Crab	numbers	81563		-40782	40781							40.781	100.00%	
Pacific Halibut mortality	mort	78.890		-37.500	41.390	2.344	5.659	3.219	0.914	12.136	29.32%	29.254	70.68%	
Chinook Salmon	numbers	347			347	313	3	107	8,000	431	124.21%	-84	-24.21%	
Non-Chinook Salmon	numbers	441			441	22	95	1,998	15,000	2,130	483.10%	-1,689	-383.10%	
Non-Specific Reserve	mt	102.390			102.390									

## Pollock Target Fishery

### YDFDA Pollock Target Harvest Fourth Quarter ending December 31, 2003

Specie or Species Group	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (40%)	mt	8,353.856	8,320.78				8,320.783	39.841%
B Season (60%)	mt	12,530.784		3,068.727	9,446.782	48,450	12,563.959	60.159%
BS Pollock Total	mt	20,884.640	8,320.78	3,068.727	9,446.782	48,450	20,884.742	100.000%
AI Pollock	mt							
Bogoslof Pollock	mt							
<b>Bycatch</b>								
Pacific Cod	mt	2,848.470	31.390	3.609	16.337	1.296	52.632	0.252%
BS FG Sablefish	mt	169.900			16.337		16.337	0.078%
AI FG Sablefish	mt	125.100						
BS Sablefish	mt	14.480			0.002		0.002	0.000%
AI Sablefish	mt	19.180						
WAI Atka Mackerel 543	mt	9.820						
CAI Atka Mackerel 542	mt	1.360						
EAI/BS Atka Mackerel 541	mt	68.320			0.008		0.008	0.000%
Yellowfin Sole	mt	50.870	19.906		0.096	0.048	20.050	0.096%
Rock Sole	mt	151.000	14.099		0.020	0.009	14.128	0.068%
BS Greenland Turbot	mt	20.100						
AI Greenland Turbot	mt	40.410						
Arrowtooth Flounder	mt	140.980	0.111	0.045	1.109	0.216	1.481	0.007%
Flathead Sole	mt	90.000	9.026	0.346	3.007	0.424	12.803	0.061%
Other Flatfish	mt	12.500	0.309	0.001	0.089		0.399	0.002%
Alaska Plaice	mt	37.000			0.011	0.028	0.039	0.000%
BS Pacific Ocean Perch	mt	6.460	0.009		0.005		0.014	0.000%
WAI Pacific Ocean Perch 543	mt	5.020						
CAI Pacific Ocean Perch 542	mt	3.180						
EAI Pacific Ocean Perch 541	mt	4.340						
BS Northern Rockfish	mt		0.007				0.007	0.000%
AI Northern Rockfish	mt	48.380						
BS Shortraker/Rougheye Rockfish	mt							
AI Shortraker/Rougheye Rockfish	mt	12.780						
BS Other Rockfish	mt	7.680	0.003		0.010		0.013	0.000%
AI Other Rockfish	mt	10.620						
Other Species	mt	385.719	8.980	0.479	2.867		12.326	0.059%
<b>PSQ Reserve Category</b>								
Zone 1 Red King Crab	ea	836						
Zone 1 Bairdi Tanner Crab	ea	9,555						
Zone 2 Bairdi Tanner Crab	ea	26,730						
Opilio Tanner Crab	ea	40,781						
Pacific Halibut (mortality)	mt	41.390	0.224		0.012	0.030	0.266	0.64%
Chinook Salmon	ea	347	313	3	107.366	8.000	431	124.21%
Non-Chinook Salmon	ea	441	22	95	1,989.543	15.000	2122	481.08%

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## Pacific Cod Target Fishery

YDFDA Pacific Cod Target Fishery Harvest Activity								
Fourth Quarter as of December 31, 2003								
Specie or Species Group	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (60%)	mt	1,709.082	566.741	862.751			1,429.492	56.67%
B Season (40%)	mt	1,139.388			910.452	182.756	1,093.208	43.33%
Pacific Cod Total	mt	2,848.470	566.741	862.751	910.452	182.756	2,522.700	100.00%
<b>Bycatch</b>								
Non Pollock Quota	mt	N/A	34.869	44.441	47.806	19.386	146.502	5.81%
BS FG Sablefish	mt	169.900	0.003		0.009		0.012	0.00%
AI FG Sablefish	mt	125.100						
BS Sablefish	mt	14.480		0.035			0.035	0.00%
AI Sablefish	mt	19.180						
WAI Atka Mackerel 543	mt	9.820			0.011	0.013	0.024	0.00%
CAI Atka Mackerel 542	mt	1.360						
EAI/BS Atka Mackerel 541	mt	68.320		0.916		0.018	0.934	0.04%
Yellowfin Sole	mt	50.870	3.068	7.459	8.217	1.105	19.849	0.79%
Rock Sole	mt	151.000	0.394	0.600	0.248	0.058	1.300	0.05%
BS Greenland Turbot	mt	20.100	0.023	0.010	0.858	0.024	0.915	0.04%
AI Greenland Turbot	mt	40.410						
Arrowtooth Flounder	mt	140.980	3.384	6.769	17.960	0.691	28.804	1.14%
Flathead Sole	mt	90.000	2.453	4.132	5.274	0.772	12.631	0.50%
Other Flatfish	mt	12.500	1.070	0.220	0.073	0.160	1.523	0.06%
Alaska Plaice	mt	37.000			0.005		0.005	0.00%
BS Pacific Ocean Perch	mt	6.460		0.002			0.002	0.00%
WAI Pacific Ocean Perch 543	mt	5.020						
CAI Pacific Ocean Perch 542	mt	3.180						
EAI Pacific Ocean Perch 541	mt	4.340						
BS Northern Rockfish	mt							
AI Northern Rockfish	mt	48.380			0.041	0.041	0.082	0.00%
BS Shortraker/Rougheye Rockfish	mt							
AI Shortraker/Rougheye Rockfish	mt	12.780			0.069	0.069	0.138	0.01%
BS Other Rockfish	mt	7.680	0.020	1.196	0.012		1.228	0.05%
AI Other Rockfish	mt	10.620			0.010	0.010	0.020	0.00%
Other Species	mt	385.719	56.463	156.125	100.992	24.714	338.294	13.41%
<b>PSQ Reserve Category</b>								
Zone 1 Red King Crab	ea	836		34	121		155	
Zone 1 Bairdi Tanner Crab	ea	9,555						
Zone 2 Bairdi Tanner Crab	ea	26,730		158	74	23	256	
Opilio Tanner Crab	ea	40,781						
Pacific Halibut (mortality)	mt	41.390	2.120	5.659	3.207	0.884	11.870	0.47%
Chinook Salmon	ea	347						
Non-Chinook Salmon	ea	441			9		9	

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***Flatfish Pool Harvest Report Joint Harvest Report\****

\*To be reported by BBEDC for quarter and year ending December 31, 2003  
 as part of Joint Fishery

**Crab Target Fisheries**

Crab Harvest Activity Fourth Quarter ending December 31, 2003												
Specie or Species Group	Units	Annual Allocation	Transfers In	Transfers Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
Bering Sea C. <i>Opilio</i> (snow) Tanner crab	lbs	360,508		1843	358,665	358,665				358,665	100.0%	0
Bering Sea C. <i>Bairdi</i> Tanner crab	lbs				0					0		0
Bristol Bay Red King crab	lbs	210,067	315		210,382					210,067	100.00%	315
Norton Sound Red King crab	lbs	10,370			10,370			7312		7,312	71%	3,058
Pribilof Red & Blue King crab	lbs	no fishery 2003			0					0		0
St Matthew Blue King crab	lbs	no fishery 2003			0					0		0

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## CDQ Species Transfers in the Fourth Quarter 2004

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## **B. CDQ Fishing Activities**

**Pollock** – The Golden Alaska finished harvesting the “B” season Pollock in early October, 2003.

**Pacific Cod** – Due to the long season the vessels were to take a small break at the holidays and finish up the season the last few days of the year. In some cases the crews became stranded due to weather and didn’t make it back to the fishing grounds until after the end of the year. Approximately 9% of our quota was left in the water at the end of the year.

**Sablefish** –Fishing slowed down during the third quarter and the harvest of Sablefish proceeded at a very slow pace eventually getting to the point that the vessels could no longer profitably conduct this fishery. Fishing never picked up again to make fishing profitable during the fourth quarter before the IFQ season closed.

**Atka Mackerel/Flatfish** – US Seafoods “SeaFreeze Alaska” and the Ocean Peace harvested yellowfin sole and Atka mackerel during the fourth quarter. By end of the quarter the majority of yellowfin had been harvested and plans were underway to arrange for an even greater quantity of quota during 2004.

**Halibut** –Lisa Marie harvested additional IFQ after fishing CDQ crab.

**Crab** – The Lisa Marie and Baranof harvested our Bristol Bay Red King crab quota during this quarter and the Baranof continued to fish a quantity of our Pacific Cod CDQ upon closure of the open access season.

## **C. Compliance**

There were no compliance issues of which we were aware during this quarter.

## **D. Other Fishing Issues/Activities**

None